



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 5, 2018

S. 2413 **Bridge Contract Transparency and Accountability Act of 2018**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on February 14, 2018*

S. 2413 would require federal agencies to report annually to the Congress on their use of bridge contracts to acquire goods and services. Bridge contracts are generally considered noncompetitive extensions between the end contract of a contract and the competitive award of a follow-on agreement. Specifically, the bill would direct the Office of Federal Procurement Policy (OFPP) to report on governmentwide policies, and practices for the use of bridge contracts. In addition, the bill would require the Federal Acquisition Regulatory Council to provide guidance to agencies on when to use bridge contracts.

CBO is unaware of a standard definition of bridge contracts or any comprehensive information on the use of such contracts. In fiscal year 2017, the government acquired almost \$400 billion in services and supplies through contracts, including bridge contracts. The Government Accountability Office (GAO) has reported that using noncompetitive contracts for extended periods could result in greater costs to the government.

Considering the cost of similar governmentwide reporting requirements and recent GAO reports on such contracts, CBO estimates that implementing the bill would cost \$7 million over the 2018-2022 period to collect information and prepare reports on the contracts. In general, CBO expects costs at each of the 26 major agencies would total about \$65,000 per year for two years or approximately \$2 million annually in total. In subsequent years costs would decline as the reporting process became standardized.

Enacting S. 2413 could affect direct spending by some agencies because they are authorized to use receipts from the sale of goods, fees, and other collections to cover operating costs. Therefore, pay-as-you-go procedures apply. Because most of those agencies can make adjustments to the amounts collected as operating costs change, CBO estimates that any net changes in direct spending by those agencies would be negligible. Enacting S. 2413 would not affect revenues.

CBO estimates that enacting S. 2413 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 2413 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.